

**EXHIBIT U TO
CISNEROS DECLARATION
REDACTED VERSION**

1 UNITED STATES DISTRICT COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 SAN JOSE DIVISION
4

5 IN RE: HIGH-TECH EMPLOYEE)
6 ANTITRUST LITIGATION)
7) No. 11-CV-2509-LHK
8 THIS DOCUMENT RELATES TO:)
9 ALL ACTIONS.)

10 _____

11
12 VIDEO DEPOSITION OF LASZLO BOCK
13 HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY
14 March 27, 2013

15
16 Reported by: Anne Torreano, CSR No. 10520
17
18
19
20
21
22
23
24
25

10:54:13 1 who contacted you?

10:54:14 2 A. I do.

10:54:14 3 Q. What is it?

10:54:15 4 A. Egon Zender.

10:54:16 5 Q. And who did you interview with at Google?

10:54:22 6 A. I don't remember everyone I interviewed with,

10:54:26 7 but the list included Alan Eustace, Omid Kordestani,

10:54:33 8 Shona Brown, Jonathan Rosenberg, George Reyes. Oh, and

10:54:46 9 members of what would eventually be my staff. So Stacy

10:54:49 10 Sullivan, Judy Gilbert, Arnon Geshuri, Liane Hornsey,

10:54:55 11 which was a phone interview, Sue Wuthrich.

10:55:00 12 There were others. I don't recall who they

10:55:01 13 were.

10:55:01 14 Q. Okay. I'd like to ask you some questions

10:55:26 15 about Google's compensation system.

10:55:29 16 A. Okay.

10:55:33 17 THE WITNESS: Could I grab a little water?

10:55:35 18 MS. SHAVER: Sure.

10:55:35 19 Why don't we go off the record for a few

10:55:37 20 minutes?

10:55:37 21 THE WITNESS: Is that -- I just -- okay.

10:55:40 22 Thanks.

10:55:40 23 THE VIDEOGRAPHER: We're off the record at

10:55:41 24 10:54.

10:56:43 25 (RECESS TAKEN.)

11:04:25 1 THE VIDEOGRAPHER: We're back on the record at

11:04:52 2 11:03.

11:04:54 3 BY MS. SHAVER:

11:04:54 4 Q. Mr. Bock, do you recall that Google [REDACTED]

11:05:01 5 [REDACTED]

11:05:09 6 [REDACTED]

11:05:09 7 A. Yes.

11:05:09 8 Q. And do you recall approximately when that

11:05:11 9 happened?

11:05:11 10 A. I don't. It was sort of mid to lateish 2000s,

11:05:15 11 but I don't recall specifically when.

11:05:16 12 Q. Okay. And do you remember -- were you

11:05:18 13 involved in that decision?

11:05:20 14 A. Yes.

11:05:20 15 Q. Do you remember why that shift was made?

11:05:26 16 A. I do.

11:05:26 17 Q. And why?

11:05:27 18 A. It was made because -- there's -- there are a

11:05:35 19 number of things that went into it. [REDACTED]

11:05:38 20 [REDACTED]

11:05:43 21 [REDACTED]

11:05:45 22 [REDACTED]

11:05:48 23 [REDACTED] [REDACTED]

11:05:52 24 [REDACTED]

11:05:54 25 [REDACTED]

11:05:56 1

11:06:00 2

11:06:04 3

11:06:06 4

Q. And does Google currently target a [REDACTED]

11:06:11 5

percentile market pay, or is it something different?

11:06:13 6

A. It is different.

11:06:14 7

Q. Is it -- what is it today?

11:06:16 8

A. If I -- this has been disclosed and discovered

11:06:20 9

because it's sensitive internal information. It's [REDACTED]

11:06:25 10

percentile or higher.

11:06:26 11

Q. And when did it change from [REDACTED] percentile to

11:06:29 12

[REDACTED] percentile?

11:06:31 13

A. I don't recall exactly, but it was -- it was

11:06:34 14

in the, you know, probably late 2000s, early '10s.

11:06:39 15

Q. And did that change have to do with market

11:06:47 16

conditions as well?

11:06:48 17

MR. RUBIN: Objection. Form.

11:06:50 18

THE WITNESS: [REDACTED]

11:06:55 19

11:06:59 20

11:07:02 21

11:07:05 22

11:07:09 23

BY MS. SHAVER:

11:07:09 24

Q. And did the first change from the [REDACTED]

11:07:11 25

percentile to [REDACTED] percentile also have to do with your

11:07:14 1 business strategy [REDACTED]

11:07:17 2 A. It did.

11:08:00 3 MS. SHAVER: I'd like to mark this as an
11:08:03 4 exhibit.

11:08:03 5 (DEPOSITION EXHIBIT 2418 MARKED.)

11:08:03 6 BY MS. SHAVER:

11:08:03 7 Q. This document is Bates-stamped
11:08:08 8 GOOG-HIGH-TECH-329873.

11:08:11 9 Mr. Bock, throughout the day I'm going to be
11:08:13 10 putting documents in front of you which are what we
11:08:16 11 call exhibits.

11:08:16 12 A. Okay.

11:08:17 13 Q. You are always welcome to read as much of the
11:08:20 14 exhibit as you like. Frequently I will be asking you a
11:08:23 15 question about a specific part of it, and if so, I'll
11:08:25 16 point you to it. But you can always say, "Hey, I'd
11:08:28 17 like more time to get the full context."

11:08:31 18 Okay?

11:08:31 19 A. Okay. Thank you.

11:08:33 20 Q. So in this document I'm just interested in the
11:08:35 21 very first sentence where you -- well, first of all, do
11:08:37 22 you recognize this document?

11:08:38 23 A. I don't remember this one specifically, but it
11:08:41 24 says it's from me, so I believe it's from me.

11:08:46 25 Q. Does the first sentence here, where you refer

11:08:48 1 to the shift to market [REDACTED] total
11:08:54 2 cash, refresh your recollection that that shift
11:08:57 3 happened at any particular year or time period? Does
11:09:04 4 this help you place the time period more exactly?

11:09:08 5 A. I think I can reasonably infer it happened
11:09:10 6 around the time. To be sure, I'd need to see something
11:09:14 7 saying we have now implemented it at this date, but
11:09:16 8 that sounds right.

11:09:16 9 Q. Okay. Thanks.

11:09:22 10 Are you familiar with something called the
11:09:23 11 peer median philosophy in the context of Google's
11:09:26 12 compensation philosophy?

11:09:27 13 A. I do.

11:09:28 14 Q. What does that refer to?

11:09:29 15 A. The peer median philosophy applies to the
11:09:35 16 technical organization, specifically the engineering
11:09:37 17 side, and it has to do with ensuring that bonus
11:09:45 18 compensation is tied to somebody's absolute level of
11:09:49 19 contribution and performance rather than being an
11:09:52 20 artifact of the salary they happened to come and join
11:09:55 21 Google at.

11:10:15 22 And I'm sorry. On your prior question, yeah,
11:10:18 23 this does say to summarize the impact of the salary
11:10:21 24 changes. So reading this, it does look like these are
11:10:23 25 the ones we implemented.

11:10:26 1 Q. Okay. Thanks.

11:10:36 2 A. Oh, but one other thing. It may not be from
11:10:39 3 me because it says, "Let me or Laszlo know if you have
11:10:43 4 any further questions" on the bottom, so the "From" is
11:10:46 5 a little confusing to me, but ...

11:10:49 6 Q. What does "peer median" refer to?

11:11:09 7 A. The peer median is the median salary -- the
11:11:15 8 median current salary of individuals in like jobs
11:11:19 9 within the technical organization. The engineering
11:11:21 10 organization, I should say.

11:11:22 11 Q. So am I understanding you correctly that the
11:11:27 12 philosophy is that Google aims to keep peers' salaries
11:11:31 13 or compensation clustered around a median?

11:11:33 14 A. No, that's not correct.

11:11:34 15 MR. RUBIN: Objection.

11:11:35 16 Give me one second.

11:11:37 17 THE WITNESS: Oh, sorry.

11:11:37 18 MR. RUBIN: Objection. Form.

11:11:39 19 THE WITNESS: No.

11:11:40 20 MR. RUBIN: Now you can answer.

11:11:41 21 THE WITNESS: That is not correct.

11:11:43 22 BY MS. SHAVER:

11:11:43 23 Q. Okay. So can you kind of connect the dots for
11:11:48 24 me how the term "peer median" relates to the pay
11:11:54 25 philosophy?

11:11:54 1 MR. RUBIN: Objection. Form.

11:11:54 2 THE WITNESS: The peer median is the median of
11:11:58 3 the current salaries. It has nothing to do with how we
11:12:02 4 manage or control salaries.

11:12:04 5 BY MS. SHAVER:

11:12:04 6 Q. So what is the peer median philosophy?

11:12:09 7 MR. RUBIN: Objection. Form.

11:12:10 8 THE WITNESS: I'm not sure what is being
11:12:12 9 referred to when you say "peer median philosophy."
11:12:16 10 I've not used -- I'm not sure what that phrase means.

11:12:20 11 BY MS. SHAVER:

11:12:20 12 Q. Okay. Well, when I first asked you, you
11:12:23 13 know --

11:12:23 14 A. Yeah.

11:12:23 15 Q. -- are you familiar with this phrase --

11:12:24 16 A. Yeah.

11:12:24 17 Q. -- do you have an understanding of what it
11:12:25 18 means, you said "yes."

11:12:26 19 A. Yeah, yeah.

11:12:27 20 Q. So I am asking for your understanding.

11:12:29 21 A. I guess --

11:12:30 22 MR. RUBIN: Objection. Form.

11:12:32 23 THE WITNESS: I guess where I'm stuck is the
11:12:36 24 way I understand "peer median" to be used at Google,
11:12:40 25 and I have some perspective on that, is it's just a

11:12:44 1 calculation of what is the median salary for people who
11:12:46 2 are in peer-like roles.

11:12:50 3 The broader philosophy, as I mentioned before,
11:12:53 4 is that the purpose of those, the way those are then
11:12:56 5 used, is to help calculate bonus amounts, but it has
11:13:07 6 absolutely nothing to do with controlling salaries.

11:13:09 7 BY MS. SHAVER:

11:13:09 8 Q. Okay. I understand what you're saying.

11:13:11 9 A. Yeah.

11:13:11 10 Q. So how is the calculation of the median salary
11:13:15 11 used to help calculate bonus amounts?

11:13:17 12 A. So for certain jobs, if you have -- let's say
11:13:26 13 you have -- well, the mechanism is you take a set of
11:13:30 14 people in like jobs, you calculate the median salary.
11:13:33 15 All those people, because they're in like jobs, will
11:13:35 16 have the same bonus target. [REDACTED]

11:13:38 17 [REDACTED]

11:13:40 18 The bonus calculation will be based on the
11:13:44 19 median of their salaries rather than on their actual
11:13:47 20 salaries.

11:13:48 21 Q. Thank you.

11:13:54 22 How does Google determine who is a peer?

11:14:05 23 A. I have not been involved in the actual
11:14:10 24 selection of who goes into peer groups or not.

11:14:16 25 Q. Do you have any understanding of how Google

11:14:18 1 determines who is a peer?

11:14:19 2 MR. RUBIN: Objection. Form.

11:14:20 3 THE WITNESS: It's, as I understand it, an
11:14:27 4 aggregation of people who are doing similar roles. So
11:14:32 5 typical, common characteristics would be the job
11:14:34 6 content is very similar, they're all at the same level,
11:14:38 7 often sort of doing the same work, and they are
11:14:43 8 considered peer-like.

11:14:44 9 So it's peers in terms of work they are asked
11:14:48 10 to do, not in any other way.

11:14:51 11 BY MS. SHAVER:

11:14:51 12 Q. And who is involved in the selection of who
11:14:55 13 goes into peer groups?

11:14:56 14 A. I actually don't know for sure.

11:14:58 15 Q. Do you know who would know?

11:15:00 16 A. I think Frank Wagner would know.

11:15:23 17 Q. Are you familiar with Google's nine-grade or
11:15:27 18 nine-level compensation system?

11:15:30 19 A. Just to make sure I understand, when you say
11:15:34 20 nine grades, what are you specifically referring to?

11:15:36 21 Q. I'm referring to a ladder with designations
11:15:42 22 for various divisions in [REDACTED]

11:15:47 23 [REDACTED]

11:15:53 24 MR. RUBIN: Objection. Form.

11:15:53 25 THE WITNESS: What you're describing is a

11:15:57 1 system we used to have but no longer do, but I'm

11:16:00 2 somewhat familiar with it, yes.

11:16:02 3 BY MS. SHAVER:

11:16:02 4 Q. Okay. Is there a name that you use for that?

11:16:04 5 A. No, there's nothing unique. I mean, we, you

11:16:10 6 know -- no, there's not a unique sort of

11:16:13 7 nomenclature --

11:16:14 8 Q. Okay.

11:16:15 9 A. -- to which we refer.

11:16:16 10 Q. If I call it "compensation levels," will you

11:16:19 11 know what I'm referring to?

11:16:20 12 A. No, because it's not compensation levels.

11:16:22 13 So we have a number of -- sort of standard HR

11:16:28 14 nomenclature would be we have a number of job grades

11:16:32 15 and so --

11:16:32 16 Q. Let's call it "job grades," then.

11:16:34 17 A. Yeah, but -- I'm sorry. There's not like a

11:16:36 18 unique branding or, you know, language around it that

11:16:39 19 we happen to use.

11:16:40 20 Q. Okay.

11:16:40 21 A. That's what I thought you were asking.

11:16:42 22 Q. Well, those nine job grades, how long has that

11:16:45 23 existed at Google?

11:16:45 24 MR. RUBIN: Objection. Form.

11:16:47 25 THE WITNESS: I don't know.

11:18:01 1 really, much at Google.

11:18:02 2 In the compensation field, people talk about
11:18:04 3 internal equity, which generally means people -- you
11:18:06 4 know, pay should be fair across people.

11:18:09 5 In Google we don't actually talk about -- we
11:18:12 6 don't use the phrase "internal equity" much at all. We
11:18:15 7 instead focus in compensation on making sure, as much
11:18:18 8 as possible, compensation is tied to individual
11:18:20 9 contributions.

11:18:20 10 Q. And is it a principle of compensation in
11:18:23 11 Google that compensation should be fair?

11:18:25 12 MR. RUBIN: Objection. Form.

11:18:26 13 THE WITNESS: I'm not sure what you mean by
11:18:29 14 "fair."

11:18:30 15 BY MS. SHAVER:

11:18:30 16 Q. Well, you testified, "In the compensation
11:18:35 17 field, people talk about internal equity, which
11:18:37 18 generally means people -- pay should be fair across
11:18:42 19 people."

11:18:42 20 Is that true at Google as well?

11:18:44 21 A. So this is why I draw the distinction between,
11:18:46 22 sort of, the general compensation -- the way
11:18:48 23 compensation people look at it and the way we think
11:18:49 24 about it at Google.

11:18:50 25 At Google our view is very much that pay can

11:18:54 1 and should and does vary wildly across individuals who
11:18:57 2 are performing the same job, at the same job grade,
11:19:01 3 based on differences in their performance and
11:19:03 4 contribution.

11:19:03 5 And so at Google we actually -- and this is
11:19:07 6 why I asked about what do you mean by "fair." You
11:19:09 7 know, fairness is commonly taken to mean, you know,
11:19:12 8 well, everything's equally distributed. And when
11:19:15 9 people talk about internal equity outside of Google,
11:19:17 10 sometimes they'll say that.

11:19:18 11 Within Google we don't really care about it
11:19:20 12 being evenly distributed. We care about the very best
11:19:24 13 people getting incredibly well compensated and the very
11:19:29 14 worst people not getting much at all and having an
11:19:32 15 incredibly wide distribution across that entire range.

11:19:35 16 So there's not an equal distribution if you
11:19:37 17 measure it on a per-capita basis, but if you compare it
11:19:41 18 to individual contribution, yeah, we try to make it
11:19:44 19 fair.

11:19:44 20 Q. Would it be fair to say or accurate to say
11:19:46 21 that Google wants to reward equally performing people
11:19:50 22 equally --

11:19:51 23 MR. RUBIN: Objection. Form.

11:19:52 24 BY MS. SHAVER:

11:19:52 25 Q. -- or fairly?

11:19:53 1 MR. RUBIN: Objection. Form.

11:19:53 2 THE WITNESS: No, I think -- I think it would
11:19:59 3 be correct to say that for people contributing at the
11:20:03 4 same level, their compensation should be roughly
11:20:06 5 comparable.

11:20:07 6 But -- sorry, sorry. When I say "level," I
11:20:09 7 don't mean job grades and I don't mean level in career
11:20:11 8 band. I mean somebody who's -- two people whose
11:20:15 9 contributions to Google and the world are exactly the
11:20:17 10 same should have roughly comparable comp-out comps,
11:20:22 11 with the caveat that a lot of this stuff is sort of --
11:20:25 12 gets solved over time rather than at one shot.

11:20:32 13 MS. SHAVER: Can I have 21?

11:21:02 14 BY MS. SHAVER:

11:21:02 15 Q. How does it get solved over time rather than
11:21:06 16 at one shot?

11:21:07 17 A. I'm trying to think of a good example.

11:21:13 18 In most cases you don't make -- when somebody
11:21:24 19 in a typical organization -- in a typical organization
11:21:33 20 there's limits to how much you can increase someone's
11:21:36 21 pay in a year. People get salary increases once a
11:21:40 22 year, and for every job there's a market rate of pay,
11:21:44 23 and companies decide how much they want to pay based on
11:21:46 24 the market rate of pay and what their strategy is and
11:21:50 25 where they want to be positioned relative to market and

11:21:53 1 their people's contributions.

11:21:53 2 You don't always adjust somebody all the way
11:21:57 3 up in a single step to something that is a hundred
11:22:00 4 percent in tandem with their contribution. Often at
11:22:04 5 Google we do, but I was trying to be precise in my
11:22:07 6 answer and just say that sometimes it takes time.

11:22:10 7 So for example, if you as an attorney are
11:22:12 8 promoted, you know, at a law firm, into a new -- when
11:22:15 9 you make partner you don't immediately make the same
11:22:18 10 money that every partner makes. Your compensation over
11:22:20 11 time climbs to what the average is, even though you are
11:22:24 12 a partner in a law firm.

11:22:30 13 Q. When you say you don't always adjust somebody
11:22:38 14 all the way up in a single step to be in tandem with
11:22:41 15 their contribution, why not?

11:22:42 16 A. Well, I'm just trying to make a point that
11:22:44 17 it's not a homogenous, monolithic thing that happens in
11:22:49 18 exactly the same way every single time.

11:22:54 19 I mean, if I come up with a hypothetical
11:22:56 20 example, let's say you hire an administrative
11:23:05 21 assistant. And I'm going to make up the numbers, but
11:23:07 22 let's say that person has never worked before, and you
11:23:09 23 hire this person for \$25,000 a year in salary, but you
11:23:15 24 have -- and they're amazing. In most organizations,
11:23:18 25 you would not immediately adjust their salary up to

11:23:21 1 where everybody else's is.

11:23:24 2 At Google what we do, which is a little

11:23:26 3 different -- so to be more precise, [REDACTED]

11:23:29 4 [REDACTED]

11:23:31 5 [REDACTED]

11:23:34 6 [REDACTED]

11:23:37 7 [REDACTED]

11:23:39 8 [REDACTED]

11:23:51 9 MS. SHAVER: I'd like to mark this as the next
11:23:53 10 exhibit.

11:23:53 11 (DEPOSITION EXHIBIT 2419 MARKED.)

11:24:02 12 BY MS. SHAVER:

11:24:02 13 Q. This document is Bates-stamped

11:24:05 14 GOOG-HIGH-TECH-195260.

11:24:10 15 Mr. Bock, do you recognize this document?

11:24:12 16 A. Let me just look at it.

11:24:36 17 Okay.

11:24:36 18 Q. Do you recognize this document?

11:24:37 19 A. I do.

11:24:38 20 Q. What is it?

11:24:39 21 A. It's a correspondence between Eric and me that
11:24:45 22 I then forwarded to the folks on the benefits and
11:24:51 23 compensation teams.

11:24:51 24 Q. And in the first e-mail from Eric Schmidt,

11:24:57 25 he's -- he asks you to do another survey of benefits in

11:47:29 1 no impact at all.

11:47:29 2 In a handful of cases, some people talked
11:47:31 3 about it and heard about it, and a few Googlers, you
11:47:34 4 know, didn't like that, but it had no real impact.

11:48:17 5 BY MS. SHAVER:

11:48:17 6 Q. I believe you testified earlier that while
11:48:19 7 individual managers at Google may be concerned with pay
11:48:22 8 fairness on their team, that wasn't the overall
11:48:24 9 perspective of the company.

11:48:26 10 Is that a fair characterization of what you
11:48:28 11 said?

11:48:28 12 A. Roughly, yeah.

11:48:29 13 Q. Okay. Does this e-mail from Sergey Brin, one
11:48:31 14 of the founders of the company, specifically inquiring
11:48:33 15 about internal equity change your testimony at all?

11:48:36 16 MR. RUBIN: Objection. Form.

11:48:37 17 THE WITNESS: No. I don't know why it would.

11:48:43 18 The -- I mean, one thing to understand here,
11:48:45 19 too, is that as we develop these programs, there was
11:48:49 20 some people who thought it would be a good idea and
11:48:51 21 some people thought it would be a bad idea. Sergey
11:48:54 22 here is asking a question about, you know, why are we
11:48:56 23 doing this and what is the advantage to it?

11:48:58 24 But as a company we decided to move forward
11:49:00 25 with being aggressive and counteroffering, and it

11:49:03 1 proved to be a very good idea for Google.

11:49:07 2 So yeah.

11:49:25 3 BY MS. SHAVER:

11:49:25 4 Q. [REDACTED]

11:49:39 5 A. [REDACTED]

11:49:55 6 MS. SHAVER: Can I have 39?

11:50:10 7 Please mark this as the next exhibit.

11:50:11 8 (DEPOSITION EXHIBIT 2422 MARKED.)

11:50:20 9 BY MS. SHAVER:

11:50:20 10 Q. This document is Bates-stamped

11:50:25 11 GOOG-HIGH-TECH-328300.

11:50:29 12 Mr. Bock, do you recognize this document?

11:50:36 13 A. I don't remember it, but, you know, it's an

11:50:44 14 e-mail that I'm on.

11:50:46 15 Q. Okay. If you look at the chart that's on page

11:50:59 16 1, can you explain to me what this chart reflects?

11:51:03 17 A. Yeah, let me look at this more broadly and see

11:51:08 18 what this is.

11:51:16 19 Okay. Sorry. Your question again? I

11:51:54 20 apologize.

11:51:54 21 Q. The question was about what the chart

11:51:58 22 reflects.

11:51:59 23 A. The chart looks like for each level, for

11:52:07 24 certain levels of job in the company and in certain

11:52:09 25 sort of functional areas, it shows what the new grad

11:52:14 1 starting salaries are.

11:52:15 2 So what I assume is these are -- based on the
11:52:18 3 context, these are the salaries we offer to people on
11:52:20 4 campus.

11:52:22 5 Q. Does "E2" stand for "engineering 2"?

11:52:25 6 A. No.

11:52:25 7 Q. What does it stand for?

11:52:26 8 A. "E" stands for "everything else."

11:52:28 9 Q. Everything else. Okay.

11:52:29 10 So for example, in the row "E2," you'll see in
11:52:38 11 the second column, [REDACTED]

11:52:44 12 [REDACTED]

11:52:45 13 Do you see that?

11:52:45 14 A. I do.

11:52:46 15 Q. And am I understanding that those were the
11:52:49 16 different starting salaries you were offering in the E2
11:52:53 17 group?

11:52:53 18 A. That's what I'm inferring from the mail, yeah.
11:52:55 19 For new graduates.

11:52:56 20 Q. Okay. If you look just above that, it's an
11:52:59 21 e-mail from you on 10/20/2006.

11:53:02 22 You write, "I grouped the data in a pivot
11:53:06 23 below to show how many different starting salaries we
11:53:09 24 are offering at each level.

11:53:09 25 "Allan/Jon, how do we address Sheryl's concern

11:53:12 1 that paying so much less to E2s in her group sends a
11:53:16 2 bad internal equity message once they get here, since
11:53:19 3 they compare notes, and makes on-campus hiring more
11:53:22 4 difficult since they compare notes?"

11:53:25 5 Do you see that?

11:53:26 6 A. I do.

11:53:26 7 Q. What was Sheryl's concern?

11:53:28 8 A. What I recall was that her concern was that
11:53:31 9 people being hired into her organization were offered
11:53:33 10 lower starting salaries than people being hired into
11:53:37 11 other Google organizations --

11:53:39 12 Q. Is that --

11:53:39 13 A. -- as undergraduates.

11:53:40 14 Q. I'm sorry.

11:53:41 15 A. That's okay.

11:53:41 16 Q. Is that Sheryl Sandberg?

11:53:43 17 A. It is.

11:53:43 18 Q. And what was her organization?

11:53:44 19 A. She led, at the time, the online sales
11:53:48 20 organization.

11:53:48 21 Q. Okay. And what did you mean, "paying so much
11:53:57 22 less to E2s in her group sends a bad internal equity
11:54:02 23 message once they get here"?

11:54:03 24 A. So if I recall correctly, Sheryl's view was
11:54:06 25 that every new campus grad should get the same salary

11:58:18 1 A. No, no, no. I wrote, how do we address
11:58:20 2 Sheryl's concern it sends a bad message? I didn't say
11:58:23 3 anything about whether I agree or what I think. That's
11:58:25 4 what Sheryl said.

11:58:26 5 If -- you should ask Sheryl. I don't know
11:58:28 6 what she meant.

11:58:29 7 Q. Yeah, my question is a little bit different.
11:58:32 8 It's not what she meant. It's the words you chose to
11:58:35 9 use in your e-mail.

11:58:36 10 MR. RUBIN: Objection. Well, objection. No
11:58:38 11 question. So to form, to the extent there's not a
11:58:42 12 question.

11:58:42 13 BY MS. SHAVER:

11:58:42 14 Q. Did you do anything to address Sheryl's
11:58:44 15 concern?

11:58:45 16 A. I asked Allan and Jon for context.

11:58:51 17 Q. And was there any outcome to that discussion?
11:58:54 18 Did you end up addressing it in any way?

11:58:56 19 A. I don't recall, but I don't think we did. I
11:58:58 20 don't recall specifically, but I don't think we did.

11:59:00 21 Allan's right. I mean, I want to be precise.
11:59:09 22 I'm confident we didn't make any substantial changes as
11:59:12 23 a result of that request.

11:59:15 24 MS. SHAVER: Can I have 41, please?

11:59:51 25 Actually, hold off.

12:00:07 1 BY MS. SHAVER:

12:00:07 2 Q. Does Google engage in an annual salary review
12:00:11 3 process?

12:00:12 4 A. It does, but that's not our only salary --
12:00:17 5 that's not our only moment when salaries are reviewed.

12:00:20 6 Q. What are the other moments?

12:00:22 7 A. We run promotion processes twice a year and
12:00:26 8 then -- and it again depends what you mean by "salary
12:00:29 9 review." But there's points throughout the year when
12:00:33 10 we look at market compensation and look at what are
12:00:38 11 appropriate pay levels for people.

12:00:39 12 Q. Is there a point in time or -- strike that.

12:00:55 13 Does Google have an annual process of
12:00:57 14 reviewing compensation budgets across the company?

12:01:03 15 A. I think a "process for reviewing compensation
12:01:08 16 budgets" makes it a little more formal than it actually
12:01:14 17 is. [REDACTED]

12:01:17 18 [REDACTED]

12:01:21 19 [REDACTED]

12:01:25 20 Q. And what's your role in that process?

12:01:26 21 A. [REDACTED]

12:01:31 22 [REDACTED]

12:01:35 23 [REDACTED] [REDACTED]

12:01:37 24 [REDACTED]

12:01:38 25 [REDACTED] [REDACTED]

12:01:41 1

[REDACTED]

12:01:43 2

[REDACTED]

12:01:45 3

Q. And in that process, do you review the merit

12:02:01 4

increases for each organization at Google?

12:02:07 5

A. Sorry. I'm trying to be precise, but -- we --

12:02:19 6

we don't review the merit -- there's a couple different

12:02:24 7

things you're combining in your question.

12:02:27 8

[REDACTED]

12:02:30 9

[REDACTED]

12:02:34 10

[REDACTED]

12:02:37 11

[REDACTED]

12:02:39 12

[REDACTED]

12:02:41 13

[REDACTED]

12:02:44 14

[REDACTED]

12:02:46 15

[REDACTED]

12:02:50 16

[REDACTED]

12:02:51 17

Q. So an organization --

[REDACTED]

12:02:54 18

[REDACTED]

12:02:57 19

[REDACTED]

12:03:02 20

A.

[REDACTED]

12:03:03 21

[REDACTED]

12:03:05 22

[REDACTED]

12:03:08 23

[REDACTED]

12:03:11 24

[REDACTED]

12:03:15 25

There also, you know, could be other kind

12:03:16 1 of -- I mean, that's the simplest way to put it.

12:03:20 2 So for example, [REDACTED]

12:03:22 3 [REDACTED]

12:03:25 4 [REDACTED]

12:03:28 5 [REDACTED]

12:03:30 6 [REDACTED]

12:03:34 7 Does that make sense?

12:03:35 8 Q. Mm-hmm.

12:03:55 9 Is internal equity something that Google looks
12:04:18 10 at specifically in its annual salary and bonus review
12:04:21 11 cycle?

12:04:22 12 A. If by "internal equity" you mean do we look to
12:04:26 13 make sure that contribution and compensation are
12:04:28 14 aligned, we do.

12:04:35 15 By the way, I should say "at some level." You
12:04:37 16 know, we have almost -- we have 40,000 people. So ...

12:05:34 17 MS. SHAVER: Let's take a break.

12:05:35 18 THE VIDEOGRAPHER: We're going off record at
12:05:40 19 12:04.

12:05:43 20 (RECESS TAKEN.)

12:25:57 21 THE VIDEOGRAPHER: We're back on the record at
12:26:24 22 12:25. This is the beginning of video No. 2.

12:26:35 23 MS. SHAVER: I'd like to mark the next
12:26:38 24 exhibit, please.

12:26:39 25 (DEPOSITION EXHIBIT 2423 MARKED.)

12:26:48 1 BY MS. SHAVER:

12:26:48 2 Q. This exhibit is Bates-stamped

12:26:51 3 GOOG-HIGH-TECH-210276.

12:26:56 4 Mr. Bock, do you recognize this document?

12:26:57 5 A. It's an e-mail that I'm on.

12:27:01 6 Q. Okay. If you'll look in the middle of the

12:27:05 7 page, it's an e-mail sent from you to Kent Walker,

12:27:10 8 David Drummond, Laszlo Bock, Shona Brown, Becky Bucich

12:27:13 9 on June 26th, 2008.

12:27:16 10 Do you see that?

12:27:16 11 A. Mm-hmm.

12:27:17 12 Q. And this e-mail, the subject is "Facebook

12:27:20 13 Offer," and it appears to be discussing an offer to a

12:27:24 14 Google employee [REDACTED].

12:27:27 15 Do you see that?

12:27:27 16 A. I do.

12:27:28 17 Q. Okay. In your e-mail you write, "Thanks,

12:27:31 18 Kent. In fact, the eng" -- does that stand for

12:27:35 19 "engineering"?

12:27:36 20 A. It does.

12:27:36 21 Q. "[REDACTED]

12:27:39 22 [REDACTED]

12:27:42 23 [REDACTED]"

12:27:43 24 Do you see that?

12:27:44 25 A. I do.

12:33:33 1 [REDACTED]

12:33:39 2 [REDACTED]

12:33:42 3 [REDACTED]

12:33:45 4 [REDACTED]

12:33:46 5 [REDACTED]

12:33:49 6 [REDACTED]

12:33:55 7 [REDACTED]

12:33:56 8 [REDACTED]

12:33:58 9 [REDACTED] [REDACTED]

12:34:02 10 [REDACTED]

12:34:04 11 [REDACTED]

12:34:07 12 [REDACTED]

12:34:09 13 [REDACTED]

12:34:12 14 [REDACTED]

12:34:15 15 [REDACTED]

12:34:17 16 [REDACTED]

12:34:20 17 [REDACTED]

12:34:23 18 [REDACTED]

12:34:32 19 Q. [REDACTED]

12:34:33 20 [REDACTED]

12:34:35 21 [REDACTED]

12:34:38 22 A. I don't remember, but from the context, that's

12:34:40 23 what I conclude.

12:34:41 24 Q. Thanks.

12:34:50 25 I'd like to circle back to the job grade

12:34:54 1 levels that we were talking about earlier. We now have
12:34:56 2 the documents so ...

12:34:58 3 A. Okay. Good.

12:34:59 4 MS. SHAVER: I'd like to introduce the next
12:35:01 5 exhibit, please.

12:35:02 6 (DEPOSITION EXHIBIT 2425 MARKED.)

12:35:11 7 MR. RUBIN: Just to be clear, you weren't
12:35:12 8 suggesting I -- I didn't interpret it that way, but
12:35:14 9 just so it's clear in the transcript, you weren't
12:35:16 10 suggesting I didn't produce them before. You just have
12:35:18 11 it today?

12:35:19 12 MS. SHAVER: That's correct, yeah.

12:35:20 13 THE WITNESS: You're not going to make me read
12:35:22 14 this whole thing; right?

12:35:24 15 MS. SHAVER: I'm not.

12:35:25 16 THE WITNESS: Okay.

12:35:26 17 BY MS. SHAVER:

12:35:26 18 Q. Do you recognize this document?

12:35:31 19 A. I don't, but I think I can tell what it is.

12:35:34 20 Q. What is it?

12:35:35 21 A. It looks like, by job level and ladder, so the
12:35:41 22 T, the O, the E, the S, that we discussed before, it
12:35:46 23 looks like what guidelines for what pay raises should
12:35:48 24 be in a variety of geographies.

12:35:50 25 Q. And can you tell me what years these

12:35:55 1 guidelines would have applied?

12:35:57 2 A. I can't. I don't see a date on it.

12:36:04 3 Q. Do you have knowledge of what years guidelines
12:36:07 4 like this were used at Google?

12:36:08 5 A. This would have been -- I don't know when it
12:36:12 6 started. I think you may have asked that before. But
12:36:15 7 we used these until we moved to a market reference
12:36:19 8 point system probably in 2008ish. It was one of the
12:36:24 9 improvements Frank Wagner implemented. But I don't
12:36:26 10 know the exact cutover date or how long they were used.

12:36:30 11 Q. So this is a document that, to the best of
12:36:36 12 your knowledge, would have been used at Google prior to
12:36:39 13 that shift in 2008 to market reference points?

12:36:42 14 MR. RUBIN: Objection.

12:36:43 15 BY MS. SHAVER:

12:36:43 16 Q. Am I understanding you right, correctly?

12:36:45 17 MR. RUBIN: Objection. Form.

12:36:45 18 THE WITNESS: This is something that outlines
12:36:49 19 what our salary guidelines would have been up until the
12:36:52 20 point we stopped using it, but without a date, I don't
12:36:55 21 know exactly when it's from or exactly when we would
12:36:58 22 have moved away from it.

12:37:01 23 BY MS. SHAVER:

12:37:01 24 Q. If you wanted to find this document, something
12:37:09 25 similar to this document, salary guidelines, for a

12:37:12 1 particular year at Google when these were used, where
12:37:15 2 would you look?

12:37:16 3 A. I would -- I would e-mail the people who
12:37:21 4 worked in those areas in those years and ask them if
12:37:25 5 they had them.

12:37:27 6 Q. Who would those people be?

12:37:28 7 A. Well, it was Allan Brown who ran that group,
12:37:31 8 succeeded by Frank Wagner. I don't know who did that
12:37:34 9 prior to Allan Brown.

12:37:36 10 Q. And do you know how long Allan Brown was at
12:37:40 11 Google?

12:37:40 12 A. I don't know when he started. We could
12:37:43 13 calculate it, but I don't know offhand.

12:37:45 14 Q. He was there when you joined in 2006; right?

12:37:47 15 A. Yeah, I think we covered this morning he was
12:37:49 16 there when I joined, and then left maybe a year, two
12:37:52 17 years, within that range, after I joined.

12:37:54 18 Q. Are you familiar with something called the
12:38:31 19 Radford survey?

12:38:32 20 A. I know what it is.

12:38:35 21 Q. What is it?

12:38:37 22 A. As I understand it, so Radford is, I think, a
12:38:44 23 consulting firm that every year does a salary survey of
12:38:48 24 technology companies as well as other businesses, and
12:38:51 25 they compare that data and then share aggregate results

12:39:53 1 compensation data with me.

12:40:40 2 By the way, I should clarify to say, the way I
12:40:43 3 understand your question about sharing comp data is,
12:40:46 4 you know, I don't recall anybody and I don't believe I
12:40:48 5 ever shared data where I would say "this job and this
12:40:50 6 person is making X dollars" kind of information,
12:40:53 7 right. Obviously data gets shared through surveys,
12:40:56 8 right, but then it's aggregated, and there's rules and
12:40:59 9 conditions around that.

12:40:59 10 Q. Sure. And I appreciate that clarification.

12:41:03 11 And my question was, other than through
12:41:04 12 surveys, did you share compensation information?

12:41:07 13 A. Yeah, I don't remember sharing any direct
12:41:10 14 information about any individual.

12:41:12 15 Q. Okay. How about information about salary
12:41:19 16 budgets in aggregate? Did you share that with your
12:41:22 17 competitors?

12:41:22 18 A. I have not.

12:41:24 19 Q. Okay.

12:41:25 20 MS. SHAVER: Can I mark the next exhibit,
12:41:27 21 please?

12:41:27 22 THE WITNESS: But I will say, again, salary
12:41:29 23 budgets are an area where, again, consulting firms
12:41:32 24 gather data, they do surveys, and they share it back.

12:41:34 25 BY MS. SHAVER:

12:41:34 1 Q. Sure. I should have said other than through
12:41:37 2 surveys, did you share information about salary budgets
12:41:40 3 with your competitors?

12:41:41 4 A. Yeah, that's how I understood your question.
12:41:42 5 No, I have not.

12:41:52 6 (DEPOSITION EXHIBIT 2426 MARKED.)

12:41:52 7 BY MS. SHAVER:

12:41:52 8 Q. This document is Bates-stamped
12:41:57 9 GOOG-HIGH-TECH-281629.

12:42:02 10 Do you recognize this document?

12:42:29 11 A. It's an e-mail with my name on it, so I see
12:42:33 12 that.

12:42:34 13 Q. Okay. If you will turn to the third page of
12:42:37 14 the document with the heading "Merit and promotional
12:42:43 15 increases for Directors and others."

12:42:44 16 Do you see that? That's the e-mail that you
12:42:46 17 wrote to the OC?

12:42:47 18 A. Mm-hmm.

12:42:48 19 Q. Okay. If you look at item No. 3, it states,
12:42:51 20 "Our budget is comparable to other tech companies. We
12:42:55 21 called tech companies this week to check merit budgets
12:42:57 22 to compare to our [REDACTED]. They told us their
12:43:01 23 merit budgets are," and it lists "[REDACTED]"

12:43:04 24 [REDACTED]

12:43:08 25 [REDACTED], still

12:43:13 1 finalizing."

12:43:13 2 Do you see that?

12:43:14 3 A. I do.

12:43:14 4 Q. Does this refresh your recollection that you
12:43:16 5 did share compensation and salary budget information
12:43:21 6 with competitors?

12:43:22 7 MR. RUBIN: Objection. Form.

12:43:24 8 THE WITNESS: It doesn't change my perspective
12:43:27 9 at all. As I said, I have not shared any information
12:43:29 10 of this kind with other companies.

12:43:32 11 BY MS. SHAVER:

12:43:32 12 Q. Has Google shared that information, to your
12:43:34 13 knowledge?

12:43:35 14 A. Well, so I write here that we called tech
12:43:40 15 companies, so presumably somebody on the compensation
12:43:42 16 team or somebody in the organization did call other
12:43:45 17 companies and asked what their budgets were, but I
12:43:47 18 don't see any indication that Google shared what our
12:43:51 19 number was.

12:43:51 20 And in fact, since our number wasn't
12:43:54 21 determined, it would be hard -- and the point of the
12:43:56 22 e-mail is to discuss what it should be, I'm not sure we
12:44:00 23 would have anything to share.

12:44:01 24 The other point I'd make is that the companies
12:44:05 25 run different cycles and the timing is different. So

12:44:08 1 some of this data is basically publicly available,
12:44:11 2 either through surveys or by looking at the growth in
12:44:15 3 SG&A expense and backing out the head count growth in a
12:44:18 4 company year over year, in any case.

12:44:20 5 Q. So what you wrote here is that you called
12:44:22 6 these companies to check on their merit budgets; right?

12:44:25 7 A. Yeah. My point is, though, that some of that
12:44:29 8 data is publicly available, in any case.

12:44:31 9 Q. Sure.

12:44:32 10 Why did you want to know what these companies'
12:44:35 11 merit budgets were?

12:44:36 12 A. Well, the way you set a merit budget for a
12:44:40 13 company is you look at the surveys and try to figure
12:44:43 14 out what's going on in the market, and then you think
12:44:46 15 about your pay philosophy and what percentile of pay
12:44:50 16 you're targeting in the market, and you try to
12:44:52 17 anticipate how much overall market pay will move in
12:44:54 18 aggregate so that you maintain your position relative
12:44:58 19 to your competitors.

12:44:59 20 Q. And you write here, "to compare to [REDACTED]

12:45:02 21 [REDACTED]"

12:45:03 22 So based on what you wrote here, do you
12:45:07 23 believe that you -- Google had already decided on a [REDACTED]

12:45:11 24 [REDACTED]

12:45:14 25 A. Well, I can't tell for certain, but I contrast

12:45:17 1 that with the first line, where we say -- where I
12:45:19 2 wrote, "have all asked if the increases proposed in our
12:45:23 3 current salary models." So we're debating it at the
12:45:26 4 time here.

12:45:26 5 Q. And do you recall what the outcome was,
12:45:29 6 whether, in fact, in this -- at this time Google
12:45:33 7 settled on [REDACTED]

12:45:35 8 A. I don't.

12:45:36 9 Q. Okay. Did you make these phone calls
12:45:47 10 yourself?

12:45:47 11 A. No.

12:45:47 12 MR. RUBIN: Objection. Form.

12:45:48 13 BY MS. SHAVER:

12:45:48 14 Q. Did anyone else at Google?

12:45:50 15 A. I don't know.

12:45:52 16 Q. Do you know whose jurisdiction this would have
12:46:00 17 fallen under?

12:46:01 18 MR. RUBIN: Objection. Form.

12:46:02 19 THE WITNESS: These are related to
12:46:04 20 compensation, so that's Frank Wagner's purview.

12:46:08 21 BY MS. SHAVER:

12:46:08 22 Q. Do you recall instructing Frank Wagner or any
12:46:11 23 of his staff to make these phone calls?

12:46:13 24 A. Well, first, I'm not sure who made the phone
12:46:16 25 calls, if -- and what phone calls happened and in what

1 REPORTER'S CERTIFICATE

2 I, Anne Torreano, Certified Shorthand
3 Reporter licensed in the State of California, License
4 No. 10520, hereby certify that the deponent was by me
5 first duly sworn, and the foregoing testimony was
6 reported by me and was thereafter transcribed with
7 computer-aided transcription; that the foregoing is a
8 full, complete, and true record of said proceedings.

9 I further certify that I am not of counsel or
10 attorney for either or any of the parties in the
11 foregoing proceeding and caption named or in any way
12 interested in the outcome of the cause in said
13 caption.

14 The dismantling, unsealing, or unbinding of
15 the original transcript will render the reporter's
16 certificates null and void.

17 In witness whereof, I have subscribed my name
18 this 9th day of April, 2013.

19
20 [] Reading and Signing was requested.

21 [] Reading and Signing was waived.

22 [X] Reading and Signing was not requested.
23
24

25 _____
ANNE M. TORREANO, CSR No. 10520

**CORRECTIONS TO DEPOSITION TRANSCRIPT OF
LASZLO BOCK, DATED MARCH 27, 2013**
In re High-Tech Employee Antitrust Litigation
Case No. 11-CV-2509-LHK (N.D. Cal.)


Page:Line	Amendment	Reason for Amendment
22:20	Replace: "Degan" With: "Deegan"	correction to transcript error
27:11-12	Replace: "Stacy and" With: "Stacy who"	correction and clarification
29:7	Replace: "Degan" With: "Deegan"	correction to transcript error
34:25	Replace: "executive office" With: "executive offers"	correction and clarification
36:5	Replace: "recollection on" With: "recollecting"	correction to transcript error
50:10	Replaced: "comp-out comps" With: "comp outcomes"	correction to transcript error
65:5	Replace: "contemporaneous" With: "contemporaneously"	correction to transcript error
71:2	Delete "So yeah"	correction and clarification
75:1	Replace: "Alan" With: "Allan"	correction to transcript error
75:10	Replace: "manager" With: "major"	correction to transcript error
75:16	Replace: "are" With: "have"	correction and clarification
88:23	Replace: "what guidelines"	correction and clarification

Page:Line	Amendment	Reason for Amendment
	With: "the guidelines"	
111:8	Replace: "on the press" With: "in the press"	correction to transcript error
111:9-10	Replace: "what else would they look at." With: "what else would they look at?"	correction to transcript error
141:10	Replace: "has not" With: "doesn't have"	correction and clarification
148:5	Replace: "get" With: "got"	correction to transcript error
156:20	Insert "more" after "Certainly"	correction and clarification

Subject to the above changes, I certify that the transcript is true and correct.



 Signature



 Date